Vanishing non-banking Companies

†*300. SHRIMATI KUM KUM RAI:
SHRI T.T.V. DHINAKARAN:

Will the Minister of COMPANY AFFAIRS be pleased to state:

(a) the number of registered non-banking companies, in the country;

(b) the number of operational companies, out of it;

(c) the number of companies which have disappeared with public money;

(d) the steps being taken by Government to trace those disappeared companies and make them pay back the money of the people; and

(e) by when the people would get their money back?

THE MINISTER OF STATE OF THE MINISTRY OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA): (a) and (b) The number of registered non-banking companies operational in the country is 640049 as on 31.3.2004.

(c) 122 companies have been identified as vanishing companies, which raised capital through public issues.

(d) A Co-ordination and Monitoring Committee, Co-chaired by Secretary, Ministry of Company Affairs and Chairman, Securities Exchange Board of India (SEBI), has been set up to look into the issues relating to delinquent/vanishing companies and promoters and for monitoring the progress of action against them. Accordingly, prosecutions under Sections 63, 68, and 628 of the Companies Act, 1956 were launched against 111 companies. Besides, First Information Reports (FIRs) have been filed under Indian Penal Code against Directors/Promoters of 90 vanishing companies. Petitions have also been filed with the Company Law Board under Sections 397/398/402/408 read with Section 406 of the Companies Act, 1956 in respect of two selected vanishing companies.

(e) It is not feasible to indicate a time-frame by which investors may get their money back from the vanishing companies.

---

†Original notice of the question was received in Hindi.